

ORIGINAL

Commissioners:
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J. TERRY DEASON
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JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 26, 1998

Mr. Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 980958-WS; Application for Transfer of Majority Organizational Control of Lake Groves Utilities, Inc. in Lake County, Florida to Utilities, Inc.

Dear Mr. Friedman:

After reviewing the application in the above referenced docket, the staff has identified the following deficiencies. Please correct and/or provide additional information as requested.

1. As required by Rule 25-30.037(3)(f), Florida Administrative Code (F.A.C.) the utility must include a summary of the buyer's financial ability to provide service. The statement, "The Buyer's financial ability to provide service is well known to the Commission" is inadequate. Please, provide more information of financial ability.

2. As required by Rule 25-30.037(3)(k), Florida Administrative Code (F.A.C.) provide the current certificates, so they can be updated with the final order.

3. As required by Rule 25-30.037(3)(e), Florida Administrative Code (F.A.C.) provide a statement describing the financing of the purchase. The utility statement that the purchase of stock of Lake Holding, Inc. is a cash transaction financed by a loan from First Union is not sufficient.

ACK _____
AFA _____ Please provide the amount financed and the terms of the loan.

4. As required by Rule 25-30.037(3)(l), Florida Administrative Code (F.A.C.) provide evidence that the utility owns the land upon which the utility treatment facilities are located...

APP _____
CAF _____
CMU _____ Although copies of deeds were provided, our copies are not clear. Please, provide a better copy of the deeds.
CTR _____

5. Based on your response in the application to item number 10, is it correct that all regulatory assessment fees for 1998 will be paid by Utilities, Inc. or will the fees be prorated between the buyer and seller? Please explain.

EAG _____
LEG _____
LIN _____
QPC _____

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RCH _____
SEC _____

WAS _____

OTH _____

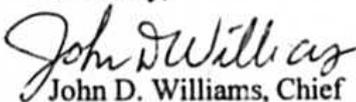
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Please file an original and twelve copies of the requested information no later than September 30, 1998 with the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Fl 32399.

If you have any questions please call Ms. Cheryl Johnson at (850) 413-6984, Ms. Samantha McRae at (850) 413-6202 or Mr. Richard Redemann at (850) 413-6999.

Sincerely,

Handwritten signature of John D. Williams in cursive script.

John D. Williams, Chief
Bureau of Policy and Industry Structure

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cc: Utilities, Inc. (Wenz)
Division of Legal Services (McRae)
Division of Water and Wastewater (Hill, Lowe, Brady)
Division of Records and Reporting (Bayo, Security File)

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Mr. Carl Wenz, Vice President
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196